

ATTORNEY DOCKET NO. 114596-03-4000

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Serial No.: 09/385,394 Confirmation No.: 9093
Applicant: John S. Yates, Jr., et al.
Title: COMPUTER WITH TWO EXECUTION MODES
Filed: August 30, 1999
Art Unit: 2183
Examiner: Richard Ellis

Atty. Docket: 114596-03-4000
Customer No. 38492

AFTER FINAL – EXPEDITED PROCEDURE

PETITION TO THE DIRECTOR

REGARDING PREMATURE FINAL REJECTION (MPEP § 706.07(c))

Mail Stop DAC
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Petitioner seeks review of a Decision rendered in several parts, on November 8, 2005 and February 10, 2006. The ultimate relief requested is (a) withdrawal of finality (with the ripple effects on the characterization and timeliness of certain papers and fees associated therewith) and/or (b) entry of an Amendment filed April 25, 2005, and (c) a supervisory order to the examiner to timely and completely observe the Office's requirements for compact prosecution, including those set forth in 37 C.F.R. § 1.104, MPEP Chapter 2100, and Federal Circuit instructions on examination procedure.

I certify that this correspondence, along with any documents referred to therein, is being deposited with the United States Postal Service on April 10, 2006 as First Class Mail in an envelope with sufficient postage addressed to Mail Stop DAC, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

I. Introduction.....	1
II. Summary of Recent Procedural History	3
III. Jurisdiction.....	4
A. The Issues Raised Here are Petitionable, Not Appealable.....	4
B. The Issues Presented Are Not Moot	7
IV. Standard of Review	8
V. Final Rejection of Claim 87 is Premature.....	9
A. Facts Relating to Claim 87.....	9
B. Legal Standard for the “New Ground of Rejection” Element of Final Rejection	12
C. Designation of a “Different Portion” of a Reference in the 10/25/04 Office Action, and the First <i>Prima Facie</i> Finding on the “Control Transfer Instruction,” are a “New Ground” that Prevents Final Rejection	13
D. The T.C. Directors’ Decisions Misstate the Issue Presented and Misstate the Law.....	14
E. Conclusion: Claim 87 Was Not Timely Examined, and Final Rejection is Premature	16
VI. The Examiner Himself Conceded that the 10/2004 Action is Neither “Clear” or “Complete” as to Claim 104: Final Rejection is Premature	16
A. Facts Relevant to Claim 104.....	16
B. Applicable Rules	18
C. Final Rejection of Claim 104 is Premature.....	19
D. The T.C. Director Erred by Fabricating a New, Unfounded Exceptions to the Definition of “New Ground”	19
VII. The Status of Claim 22 is Too Unclear to Permit Appeal or Closure of Prosecution.....	19
A. Facts Relating to Claim 22.....	21
B. Applicable Law	23
C. 37 C.F.R. §§ 1.104(c)(2) and MPEP § 707.07(f) Have Been Breached, and Therefore Claim 22 is Not Rejected at All; Because There is No “Clear Statement of Reasons,” Final Rejection is Premature	24
D. The T.C. Director’s Decision Erred by Declining to Decide the Issue Presented	25
VIII. The Rule 116(b)(3) Issue Has Never Been Decided.....	26
IX. Conclusion	26



I. Introduction

Anything that can go wrong with an agency's adjudicatory processes has gone wrong here. In a telephone interview discussing the decision presented for further review, the T.C. Director stated he regards Federal Circuit authority and PTO precedent as not "helpful" and that he would not even consider it (Interview Summary filed Nov 28, 2005, IFW 12/1/05, 7-page document). The T.C. Director's Decisions repeatedly mischaracterize the issues presented, and misquote the sources relied on. On issue after issue, the Decisions state legal propositions with no citation to authority, and most of these propositions are 180° opposite the agency's and courts' precedent. The Decisions overtly apply a double standard: they acknowledge that the examiner acted untimely and excuse it, but deny an applicant's opportunities to respond.

The underlying problem is that examination has been incomplete and untimely. For example, the first Office Action dealt with 88 claims in a 4-page Office Action. Though the application has been pending for over **six years**, no Office Action has yet stated the examiner's position on every independent claim. The examiner sits mum, leaving the applicant to shoot arrows into the dark hoping to somehow hit a secret objection.¹ (a) The examiner has repeatedly withheld a statement of his views until post-final advisory actions. (b) Entire paragraphs of independent claims were entirely ignored in the Office Action of 2/14/2005. (c) The examiner plainly admits in his advisory actions that entire paragraphs of his Office Actions were miscopied from predecessor documents (Advisory of 2/14/05 at ¶ 5) and were irrelevant to the issues then pending – yet he insists on maintaining finality, and the right to cure those omissions in out-of-time papers. He cites no rules that authorize this conduct – he simply asserts his authority to act out of time.

This series of petitions is directed to new material in the October 2004 Action and in post-final papers – which necessarily involves showing omissions in the February 2004 Office Action as a predicate.

¹ *In re Oetiker*, 977 F.2d 1443, 1449, 24 USPQ2d 1443, 1447 (Fed. Cir. 1992) (Plager, J., concurring) ("The examiner cannot sit mum, leaving the applicant to shoot arrows into the dark hoping to somehow hit a secret objection harbored by the examiner.")

The Decision of 11/8/05 made a number of remarkable statements. For example, the 11/8/05 Decision acknowledges the Federal Circuit's "relying on an entirely different portion of a reference" test for "new ground," and does not contest that "different portions" of references were relied on. However, instead of applying the law, the Decision fabricates a novel excuse for refusing to follow the law – "it cannot be seen" and "further clarifying." The Decision cites no authority. The Decision fails to address the issues presented: for example, where the Petition seeks relief for breaches of 37 C.F.R. §§ 1.104, 1.113, and 1.116(b), MPEP § 706.07, MPEP § 2143.02, and Federal Circuit procedural law, the Decision mentions none of these, let alone make any showing that they were complied with. The Decision does not even acknowledge the existence of the formal Rules of Practice of 37 C.F.R. or the petition grounds raised thereunder..

The supplementary Decision of 2/10/06 is, if anything, even more remarkable. For example, the 2/10/2006 Decision again pointedly refuses to address the matter presented. Where the Petition is directed to untimely and incomplete notice, the T.C. Director's Decision recharacterizes the issues as going to "burden of proof," "interpretation of claim limitations," "state of the art," and "the definitions of terms of art" (Decision 2/10/06 at 6, line 3), none of which are mentioned in the petition. In contrast, the central issue that is presented – timeliness – is never used in the Decisions with respect to any action of the examiner; rather, the Decisions plainly admit that the examiner's view can only be understood if untimely final and post-final papers are considered. (Decision of 2/10/06 at 6, lines 20-21, 25). When the Petition seeks relief under one rule, the T.C. Director's Decision repeatedly excuses the breach by noting that the examiner complied with a different rule, as if the PTO was at liberty to pick and choose which one rule it wants to follow at any one time while ignoring the others.

Both Decisions are notable for the near-total absence of any citation to legal authority, failure to distinguish the authority cited in the Petition, and failure to apply authority to the facts. The T.C. Director stated on the record that he does not regard agency or court precedent as "helpful." (Interview Summary at page 3, lines 9-12; *see also* Decision of 2/10/06 at 5, lines 14-15 – in his view, no rule is stated in the cases, so he simply applies a "case by case" standard).²

² Constitutional due process requires that agency decisions must be made according to "ascertainable standards" that are applied in a rational and consistent manner. When an agency ignores

This Petition seeks review of the T.C. Director's Decision. The underlying issue is whether examination was complete and timely. This petition raises no "difference of opinion because of prior art or other patentability issues." Rather, it is directed to issues where the examiner is either silent, or untimely, so no difference of opinion could be timely identified. The Petition also seeks review of various legal errors in the T.C. Director's Decision.

II. Summary of Recent Procedural History

A first Action (after an RCE) was issued 2/11/04. Subsequent papers have noted a number of particular omissions from this 2/11/04 paper (the particular omissions will be discussed further below, with respect to the "new grounds of rejection" that arise as a result of the examiner's subsequent – but untimely – filling of the omissions). Neither the examiner nor the T.C. Director have been able to identify any point at which the specific material alleged to have been omitted was timely included in the examiner's papers.

A reply was filed on July 15, 2004. The 7/15/04 response notes the incompleteness of the 2/11/04 Office Action, and requests reconsideration and complete statements of the examiner's position.

The "final" Office Action at issue in this Petition was entered October 25, 2004. This Action relies on new portions of references to raise new issues. Further, in a series of post-final papers, the Examiner himself admits that the 10/25/04 paper was "confusing" and incomplete in a number of respects.

Several of these omissions – but not all – were gradually filled in by Advisory Actions of February to June 2005, by relying on further new portions of references.

The first Petition in the series now under review was filed 4/8/05.

Five months later, on 9/9/05, a partial decision was rendered. The T.C. Director's Decision specifically held that the examiner's work had been incomplete and that "present Office practice" (one of the prerequisites for final rejection even under MPEP § 706.07(a)) had not been

standards contained in agency precedent and regulations in favor of unreasonably restrictive standards implemented without prior publication, the agency acts unconstitutionally. *See Pressly Ridge Schools Inc. v. Stottlemeyer*, 947 F.Supp. 929, 940-41 (D. W.Va. 1997); *see also Atchison Topeka & Santa Fe Rwy Co. v. Wichita Board of Trade*, 412 U.S. 800, 808 (1973) (agency must "cogently explain" any departure from its own precedent).

met during normal examination. He nonetheless – citing no authority – gave the examiner an out-of-time period to complete his examination. (Decision of 9/9/05 at 7). Strikingly, the same Decision “dismisses” (not “denies”) all requests that Petitioner be given a procedurally-balanced opportunity to respond to the examiner’s out-of-time actions.

In a telephone interview of 10/30/2005 and an email of 11/1/2005, this attorney and T.C. Director Harvey discussed several defects in the 9/9/05 Decision. It was agreed that the 9/9/05 Decision was issued without authority, and a new decision would be issued after the T.C. Director conducted further research. (Interview Summary filed 11/28/05, Exhibit A.). A replacement Decision of 11/8/05 is apparently verbatim identical.

A Petition to this Office was filed on January 12, 2006. This petition was remanded to the T.C. Director.

A further Decision was issued by the T.C. on 2/10/06.

Also on Feb. 10, 2006, the T.C. Director dismissed a Petition for Extension of Time under 37 C.F.R. § 1.136(b) as moot. However, in a “Notice of Non-Compliant Appeal Brief” of 2/15/06, the examiner shows that at least he believes that the issues are still live. Similarly, where the T.C. Director had stated that certain issues are appealable, the examiner states that they are not. The T.C. Director’s position and the examiner’s are in direct conflict with each other in several respects.

III. Jurisdiction

A. The Issues Raised Here are Petitionable, Not Appealable

The Federal Circuit, the Board of Appeals, and the Commissioner/Director/Undersecretary have all held that petition to the Director under Rule 181 is the appropriate avenue to raise untimely examination, or examination in violation of PTO rules, at least where the only relief requested is reopening of prosecution.

First, the Board of Patent Appeals and Interferences has long held that premature closing of prosecution is not appealable. *Ex parte Fine*, 217 USPQ 76, 79 (Bd. Pat. App. 1981) (precedential) (“We are likewise not concerned with the allegedly premature nature of the final

rejection... This is an administrative matter subject to petition, not a substantive matter within our jurisdiction.”).

Second, the Board has held that issues arising under MPEP procedures, even those relating to claims, are not appealable – the Board only reviews issues arising under the substantive portions of the Patent Act.³

Because the issues presented in this petition, and the relief requested, will not be considered by the Board, they must be addressed by Petition. 37 C.F.R. § 1.181(a)(1).

Third, the Commissioner of Patents and Trademarks (now the Director) holds that where the sole relief requested is reopening of prosecution because of breaches of Patent Office procedures – as in this petition – the issues are petitionable, even if the underlying issue might involve some consideration of the merits. *In re Oku*, 25 USPQ2d 1155, 1157 (Comm’r Pats and TM 1992) (emphasis supplied):

The designation of a new ground of rejection, while involving a consideration of the merits, also involves the important question of whether the Board followed PTO regulations established by the [Director]....

A decision to reopen prosecution ... is a question solely within the discretion of the [Director] and is in no way a review of a merits decision ...

See also http://www.uspto.gov/web/offices/pac/dapp/opla/presentation/chicagoslides_cont.ppt (noting the crucial importance of Petitions for Premature Final Rejection to the efficient operation of the Office and preservation of applicants’ procedural rights).

Fourth, “The [Director] [not the Board] has an obligation to ensure that all parts of the agency ... conform to official policy of the agency, including official interpretations of the agency’s organic legislation.⁴ Otherwise the citizenry would be subject to the whims of individual agency officials of whatever rank or level, and the Rule of Law would lose all meaning ...” *In re Alappat*, 33 F.3d. 1527, 1580, 31 USPQ2d 1545, 1588 (Fed. Cir. 1994) (*en*

³ *E.g.*, *Ex parte Haas*, 175 USPQ 217, 220 (Bd. Pat. App. 1972) (“If the examiner fails to follow the Commissioner’s directions in the M.P.E.P., appellant’s remedy is by way of petition to the Commissioner since this Board has no jurisdiction over the examiner’s action.”) (*Lidoff*, examiner-in-chief, concurring, *rev’d on other grounds*, 486 F.2d 1053 (CCPA 1973).

⁴ The MPEP is among the “official interpretations” that the Director/Undersecretary is required to enforce. *Refac Int’l Ltd. v. Lotus Development Corp.*, 81 F.3d 1576, 1584 n.2, 38 USPQ2d 1665, 1671 n.2 (Fed. Cir. 1996).

banc) (Plager, J., concurring). The “petition process [is] the ‘exclusive administrative check’ on the discretion of examiners,” to ensure that examiners act within the PTO’s rules. *Star Fruits S.N.C. v. United States*, 393 F.3d 1277, 1284-85, 73 USPQ2d 1409, 1414-15 (Fed. Cir. 2005).

Finally, issues are petitionable when “the rules specify that the matter is to be ... reviewed by the Director.” 37 C.F.R. § 1.181(a)(2). The relevant rule is MPEP § 706.07(c), which instructs as follows:

706.07(c) Final Rejection, Premature

Any question as to prematurity of a final rejection ... is purely a question of practice, wholly distinct from the tenability of the rejection. It may therefore not be advanced as a ground for appeal, or made the basis of complaint before the Board of Patent Appeals and Interferences. It is reviewable by petition under 37 CFR 1.181. See MPEP § 1002.02(c).

The questions presented are thus within § 1.181(a)(2).

PTO precedent provides that the appropriate relief for the breaches complained of below is (a) withdrawal of finality of the Office Action of 10/25/04, and reopening of prosecution, or, in the alternative, (b) entry of the amendment of 4/25/05, and (c) supervisory orders to the examiner. That is the relief requested here. These forms of relief are not within the jurisdiction of the Board, but are within the jurisdiction of the Director by Petition..⁵

The T.C. Director’s jurisdictional analysis misquotes and mischaracterizes the Petition. Contrary to the T.C. Director’s statements, no issues of “whether the examiner’s rejection is clear as to claim scope,” “claim scope,” “burden of proof” or “disagreement” with the examiner are petitioned. The T.C. Director’s Decision cites no authority for his jurisdictional propositions – nor could he, since they are directly contrary to the authority discussed above. After misrepresenting the content of the petition, he “deems” his confabulated issues to be

⁵ The Board, for example, has often noted that it lacks the authority to issue binding supervisory orders. Further, an examiner’s silence can deprive it of jurisdiction on the merits. At most, the Board can offer non-binding “suggestions.” Board of Patent Appeals, Frequently Asked Questions web page, www.uspto.gov/web/offices/dcom/bpai/bpaifaq.htm, “Answer to Question 8”; *Ex parte Gambogi*, 62 USPQ 1209, 1212 (BPAI 2002) (“We decline to tell an examiner precisely how to set out a rejection”); *Ex parte Johnson*, 2001 WL 1857256, <http://www.uspto.gov/web/offices/dcom/bpai/decisions/fd000873.pdf> at 5 (BPAI Mar. 13, 2001) (unpublished) (“We exercise no general supervisory power over the examining corps.”); *Ex parte Braeken*, 54 USPQ2d 1110, 1113 (BPAI 1999) (after stating that the examiner’s silence deprives the Board of ripeness jurisdiction to decide the merits, offering only a non-binding “suggestion”).

appealable (Decision 2/10/06 at 6, lines 3-5), with no stated legal basis. The T.C. Director had no authority to do what he did; his statements are void.

This Petition is timely presented within two months of the T.C. Director's Decision of 2/10/2006.

B. The Issues Presented Are Not Moot

In the Notice of Non-Complaint Appeal Brief of 2/15/06, the examiner states that he believes that all issues presented in this petition remain live. For example, if finality were withdrawn, then the Response to Office Action of 11/28/05 would have been entered as of right as a Rule 111(a) response, and there would be no issue as to the sufficiency of the 11/28/05 paper as an appeal brief.

Further, an issue is moot only when the Office has ceased all challenged conduct, and has borne a heavy burden of making *absolutely* clear to the examiner and T.C. Director that the allegedly wrongful behavior will not recur. *Adarand Constructors Inc. v. Slater*, 528 U.S. 167, 221-22 (2000) (emphasis the Supreme Court's). The PTO cannot meet its burden here. In a Decision of 5/30/05, a former T.C. Director admitted that the Office Actions "did not [timely] specifically discuss the limitations" of independent claims (p. 3, lines 34-35) yet could nonetheless be "final," and also overruled the Undersecretary's definition in MPEP § 706.07(c) of petitionable subject matter. This Petitions Office stated in a Decision of 5/4/04 that neither was reasonably likely to recur.⁶ Of course, a clear statement from the management chain that the PTO's rules would not be enforced, and that an examiner would nonetheless receive "counts,"⁷ essentially guaranteed recurring breach. This Petition arises out of almost identical facts – an examiner's incomplete and untimely examination, and total failure to timely discuss limitations of independent claims, and a T.C. Director's Decision that is based on propositions of law that

⁶ The Decision of 5/4/04 also stated that "petitioners must show" non-mootness (page 2, lines 27-28.). The Decision misstated the procedural law. When an agency asserts mootness, a "heavy burden of [showing] that the challenged conduct cannot reasonably be expected to start up again *lies with the party asserting mootness.*" *Adarand*, 528 U.S. at 222 (emphasis in original).

⁷ Where a government entity has "on-going economic incentives" to engage in the challenged conduct, an issue is not moot. *International Union of Bricklayers and Allied Craftsmen*, 761 F.2d 798, 806 (D.C. Cir. 1985).

are directly contrary to court and written agency authority. There is every reason to believe that the conduct will recur.

A party may not plead that another's rights should be mooted because the party dragged its feet. *Providence Hospital v. NLRB*, 93 F.3d 1012, 1020 (1st Cir. 1996). Here, the first Decision on Petition was rendered in August 2005, **seven months** after the Petition was filed in April 2005.⁸

Until the agency takes affirmative steps to assure that all conduct alleged to be unlawful cannot recur, this Petition is not moot.

IV. Standard of Review

"In accordance with the Administrative Procedure Act, the agency must assure that an applicant's petition is fully and fairly treated at the administrative level, without interim need for judicial intervention." *In re Kumar*, 418 F.3d 1361, 1367, 76 USPQ2d 1048, 1052 (Fed. Cir. 2005). Those who decide Petitions are obligated to decide the precise issues presented. Separate grounds may not be ignored, and issues may not be redefined.

Every written decision of a federal agency must "cogently explain why [the agency] has exercised its discretion in a given manner." *See Motor Vehicle Manufacturers' Assn. of the United States Inc. v. State Farm Mutual Automobile Insurance Co.*, 463 U.S. 29, 48 (1983). All written agency decisions "must examine the relevant data and articulate a satisfactory explanation for its action including a rational connection between the facts found and the choice made." *Id.* at 43. No agency decision may "entirely fail[] to consider an important aspect of the problem, [or] offer[] an explanation for its decision that runs counter to the evidence before the agency." *Id.*

"An agency is not free to refuse to follow [Federal Circuit] precedent." *In re Lee*, 277 F.3d 1338, 1344, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002). An agency cannot rely upon unwritten or unpublished rules or case-by-case standards. *Lightfoot v. District of Columbia*, 339

⁸ Several other petitions decided at about the same time, in companion applications, directed to non-time-sensitive issues, show that the normal turn-around for petitions is about 4 to 10 weeks. Earlier in this same application, a Decision on Petition directed to the time-sensitive issue of premature finality was issued in December 2003 **seven months** after a petition filed in May of 2003. Questions of the agency's basic commitment to procedural fairness are raised.

F.Supp.2d 78, 89 (D.D.C. 2004) (agency must have written standards, must apply them fairly and consistently, “The establishment of written, objective, and ascertainable standards is an elementary and intrinsic part of due process,” citations and quotations omitted)

V. Final Rejection of Claim 87 is Premature

An Action may not be made final when it introduces a new ground of rejection, where the new ground was not necessitated by an amendment. MPEP § 706.07(a). The facts are undisputed – new issues are raised in the “final” Office Action

Question 1. Was the Office Action of October 25, 2004, prematurely made “final,” when new issues were raised with respect to claim 87, and an “entirely different portion” of a reference were relied on?

Yes. Both the examiner and the T.C. Director’s Decision concede that new and different portions of a reference were relied on in the “final” Office Action, and that the new portions raise new issues relative to the portions relied on earlier. Both Federal Circuit and agency precedent are clear that such reliance on a “different portion” is a “new ground of rejection” that prevents final rejection.

Question 2. Did the T.C. Director act arbitrarily, capriciously, and contrary to law?

Yes. In the Interview of 10/30/05, the T.C. Director expressly stated that he would not consult relevant court and agency precedent. (Summary at 3) The T.C. Director’s Decision of 2/10/06 states that no ascertainable standard derived from written authority will be applied; rather, the Decision “wings it” on a case-by-case basis. The courts have held that such “standardless” decision making is a violation of constitutional due process.

A. Facts Relating to Claim 87

Undisputed Fact 1. As of October 2004, claim 87 recited as follows:

87. A method, comprising the steps of:

executing a **control-transfer instruction** under a first execution context of a computer, the instruction being **architecturally defined to transfer control directly to a destination instruction** for execution in a second execution context of the computer;

before executing the destination instruction, altering the data storage content of the computer to establish a program context under the second execution context that is logically equivalent to the context of the computer as interpreted under the first execution context, the reconfiguring including at least one data movement operation not included in the architectural definition of the control-transfer instruction.

Undisputed Fact 2. Since its original filing in 1999, claim 87 has recited a “control-transfer instruction of a computer ... architecturally defined to transfer control directly to a destination instruction.” Claim 87 is the only claim that recites anything analogous to this limitation.

Undisputed Fact 3. The February 2004 Office Action (paper no. 38) makes a “general rejection” that claim 87 is rejected, but nowhere sets out a rejection in the manner required by 37 C.F.R. § 1.104 and MPEP § 2141-2143.03, and no “findings” on the “control transfer instruction.” The sum total discussion of claim 87 is as follows:

46. Claims 3, 15-16, 18-19, 21-33, 42-47, 49-50, 54-59, 69, 73-85, 87-93, 96-103, 110-112, 116-126, and 133 are rejected under 35 USC § 103 as being unpatentable over Goetz et al., U.S. Patent 5,854,913, in view of Brender et al., U.S. Patent 5,339,422 and Murphy et al., U.S. Patent 5,764,947 (incorporated by reference into Brender et al. at col. 1 lines 10-12 and 19-24).

100. As to claims 87-93, 96-103, 110-112, 116-117, 118-126, and 133, they do not teach or define above the invention claimed in the previously rejected respective claims and are therefore rejected under Goetz et al. in view of Brender et al. and Murphy et al. for the same reasons set fourth in the previous claim rejections, supra.

Undisputed Fact 4. The February 2004 Action does not designate “the particular part relied on” of any reference, as required by 37 C.F.R. § 1.104(c)(2), or set forth any of the other required *prima facie* elements of any rejection of claim 87, with respect to the “control transfer instruction” of claim 87. Indeed, the February 2004 Action does not even designate which reference might correspond to this limitation.

Undisputed Fact 5. The references relied on are “complex” – they total some 70 columns. The references “show or describe inventions other than that claimed by the applicant.”

Undisputed Fact 6. In Petitioner’s paper of July 12, 2004, Petitioner noted the silence of the Office Action with respect to claim 87, and that, as a matter of administrative law, this silence represented a failure to raise any rejection whatsoever, and that it was impossible to respond to a position the examiner had not stated. Response of 7/12/04 at 36-37.

Undisputed Fact 7. The October 2004 Office Action partially filled the silence of the earlier Action. The sum total of the discussion of claim 87 in October 2004 is as follows:

14.4. That: "Claim 87 recites "executing a control-transfer instruction ... architecturally defined to transfer control directly to a destination instruction". ... Further, Brender '422 teaches that the control transfer instruction must transfer control to the jacket, not "directly to a destination instruction" as recited in claim 87".

This is not found persuasive because Brender et al. does indeed indicate that the control-transfer instruction is "architecturally defined to transfer control directly". See col. 15 lines 48-50: "In the present embodiment, it is based on the fact that a direct X call to a Y routine incurs an X operand fault". Accordingly, Brender et al. indicates that the call is "architecturally defined" to transfer "directly". Brender et al.'s system simply intervenes to convert between the expected data storage conventions of the two routines.

Undisputed Fact 8. This paragraph 14.4 is the first mention in the entire prosecution history of Brender col. 15, lines 48-50, or anything relating to the subject matter discussed there.⁹

Undisputed Fact 9. Neither the examiner nor the T.C. Director's Decision contest that this paragraph 14.4 is the first statement that colorably met the examiner's responsibility for "making findings ... as to the meaning of prior art references," *In re Berg*, 320 F.3d 1310, 1315, 65 USPQ2d 2003, 2007 (Fed. Cir. 2003), with respect to the "control transfer instruction" of claim 87.

Undisputed Fact 10. Petitioner's paper of 1/25/2005 set forth substantive arguments showing that the "control transfer instruction" of claim 87 distinguishes Brender.¹⁰

Undisputed Fact 11. The Examiner's paper of February 14, 2005 is silent in response. See ¶ 5 (noting only that the same references were applied, but ignoring the arguments). The Examiner failed to "answer all material traversed" as required by MPEP § 707.07(f).

Undisputed Fact 12. Neither the Examiner nor the T.C. Director's Decision have pointed to anything that explains the Examiner's view of the showing of January 2005.

⁹ No issue of agreement or disagreement with the examiner's showing is presented in this Petition. This Petition is directed solely to the timeliness of this showing.

¹⁰ The substance or correctness of the arguments is immaterial to this petition; the relevance of the arguments is only that they were made.

Undisputed Fact 13. The record is unclear as to whether an appealable disagreement even exists, let alone what it is.

B. Legal Standard for the “New Ground of Rejection” Element of Final Rejection

MPEP § 706.07(a) reads as follows, in pertinent part:

706.07(a) Final Rejection, When Proper on Second Action

Under present practice, second or any subsequent actions on the merits shall be final, except where the examiner introduces a new ground of rejection that is neither necessitated by applicant's amendment of the claims...

MPEP § 706.07(a) imposes two separate requirements before prosecution may be closed: (a) all requirements of “present practice” must have been timely completed, and (b) no new ground of rejection may be raised, unless necessitated by amendment.

The legal term “new ground of rejection” is defined as any “position or rationale new to the proceedings” (new evidence, citation to an entirely different portion of existing evidence, a new inference drawn from an existing reference, a new legal theory, a new application of law to facts).¹¹ Several black letter example fact patterns of this general principle are found in the law. Designating a new “particular part relied on” or a “different portion” of a reference is a “new ground of rejection.”¹² *In re Wiechert*, 370 F.2d 927, 933, 152 USPQ 247, 251-52 (CCPA 1967) (“An applicant’s attention and response are naturally focused on that portion of the reference which is specifically pointed out by the examiner. ... [W]hen a rejection is factually based on an entirely different portion of an existing reference the appellant should be afforded an opportunity to make a showing of unobviousness vis-à-vis such portion of the reference”).¹³

¹¹ *In re DeBlauwe*, 736 F.2d 699, 706 n. 9, 222 USPQ 191, 197 n.9 (Fed. Cir. 1984) (“Where the board makes a decision advancing a position or rationale new to the proceedings, an applicant must be afforded an opportunity to respond to that position or rationale” to the full extent permitted by the relevant rule); *In re Kronig*, 539 F.2d 1300, 1302-03, 190 USPQ 425, 426 (CCPA 1976), *citing In re Eynde*, 480 F.2d 1364, 1370-71, 178 USPQ 470, 474 (CCPA 1973) (“We do agree with appellants that where the board advances a position or rationale new to the proceedings... the appellant must be afforded an opportunity to respond to that position or rationale” to the full extent permitted by the relevant rule).

¹² With certain exceptions, which are neither relied on in the Decision nor relevant here.

¹³ *See also In re Echerd*, 471 F.2d 632, 635, 176 USPQ 321, 323 (CCPA 1973) (“We find the new reliance [to be] a new ground of rejection. New portions of the reference are relied upon to support an entirely new theory... appellants should have been accorded an opportunity to [respond as permitted by rule] to the new assumptions of inherent characteristics made by the board”), *reaffirmed by Kronig*,

This flows from basic principles of examination: it is always the examiner's duty to take the first step of stating all elements of a *prima facie* case of unpatentability.¹⁴ 37 C.F.R. § 1.104(c)(2) requires an examiner to "designate" the "particular part relied on," at least for the "complex" references in this case. The courts and the Board have noted that Applicants cannot, and therefore are not obligated to, respond to positions that the examiner has not raised. *See* 37 C.F.R. § 1.111(b) (response must "point[] out the supposed errors in the examiner's action and must reply to every ground of objection and rejection in the prior Office action" – no duty to go beyond the written action). The rules provide only one procedural result when an applicant's arguments or evidence require the examiner to respond by designating a "different portion" of a reference: non-final rejection.

C. Designation of a "Different Portion" of a Reference in the 10/25/04 Office Action, and the First *Prima Facie* Finding on the "Control Transfer Instruction," are a "New Ground" that Prevents Final Rejection

Final rejection is premature under the "new ground of rejection" provision of MPEP § 706.07(a).¹⁵ This case is even clearer than any Federal Circuit or Board case known to the undersigned: in this case, the February 2004 Action was absolutely silent on the claim limitation at issue. The designation of a new "particular part relied on" is not a supplement or further explanation of a previous position (as the T.C. Director attempts to characterize it), it is the first statement of any position whatsoever on the "control transfer instruction."

The undisputed fact is that col. 15, lines 48-50 of the Brender reference, and the "direct X call to a Y routine" discussed there, were first "designated" in the prematurely-final Office Action of October 2004. Both Examiner Ellis and SPRe Johnson were challenged to identify any

539 F.2d at 1303, 190 USPQ at 427; *Ex parte D'Andrade*, Appeal No. 1999-1235, 1999 WL 33224326 at *3, <http://www.uspto.gov/web/offices/dcom/bpai/decisions/fd991235.pdf> at 7, 10 (BPAI Sep. 30, 1999) (shift from examiner's reliance on tension spring 59 to Board's reliance on tension spring 61 in the same single reference is a "new ground of rejection").

¹⁴ 37 C.F.R. §§ 1.104, 1.113 (actions must be "complete" and "clearly state" reasons); MPEP § 2142 (burden rests with examiner to "show" unpatentability); *Wiechert*, 370 F.2d at 963-64, 152 USPQ at 251-52, *citing* 37 C.F.R. § 1.106, now § 1.104(c)(2); *see also In re Oetiker*, 977 F.2d 1443, 1449 (Fed. Cir. 1992) (Plager, J., concurring) ("The examiner cannot sit mum, leaving the applicant to shoot arrows into the dark hoping to somehow hit a secret objection harbored by the examiner.").

¹⁵ To avoid any doubt, Petitioner notes that the issue of this § V.C arises under MPEP § 706.07(a), second sentence, not the fourth sentence, which relates to "newly cited art."

corresponding “designation” in the February 2004 Action, and were unable to do so. Indeed, the 11/8/05 Decision expressly admits that the Action of October 2004 raises new grounds, when it states “the Examiner responded directly (in the Final rejection of October 25, 2005) to Applicant’s arguments by pointing out where the argued feature was taught” (Decision of 11/8/05, at 5 lines 12-14), and is unable to show any antecedent for the October 2004 “response” in the February 2004 Action.

It is likewise undisputed that the Action of February 2004 was absolutely silent on the “control transfer instruction” of claim 87. Even on the T.C. Director’s test, the October 2004 Action raises a “new issue” or “new ground:” an examiner’s first injection of a new issue, and first statement of any view on a claim limitation, and no prior indication that the examiner was “even implicitly” relying on col. 15, lines 48-50 of the Brender reference to meet it, is not “further clarifying,” it is a “new ground.”

On the facts admitted by both the Examiner and the 11/8/05 Decision, final rejection was premature.

D. The T.C. Directors’ Decisions Misstate the Issue Presented and Misstate the Law

The 11/8/05 and 2/10/06 Decisions make a number of statements on the legal definition of “new ground of rejection.” The Decisions cite no authority in support of any definition of “new ground” applied. Small wonder: nearly every statement is directly contrary to court and the agency’s written precedent. The Decisions make no attempt to distinguish *Wiechert* the case primarily relied on in the petition, or any of the other authority cited in footnote 7 of the petition of 1/9/06 (see also footnote 14 above).¹⁶

The 2/10/06 states that the definition of “new ground” is somehow defined by “whether the Applicant was afforded a fair opportunity to respond.” The cases – **including the relevant one cited in the Decision** – are clear that any “new issue,” any “new position or rationale” is the test, and that “fair opportunity” is the result of the test. *E.g., In re DeBlauwe*, 736 F.2d 699, 706 n. 9, 222 USPQ 191, 197 n.9 (Fed. Cir. 1984); *In re Eynde*, 480 F.2d 1364, 1370-71, 178 USPQ

¹⁶ “An agency is not free to refuse to follow circuit precedent.” *In re Lee*, 277 F.3d 1338, 1344, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002).

470, 474 (CCPA 1973). The T.C. Director's circular definition of a "test" in terms of its result is without foundation in law, and simply illogical.¹⁷

The 2/10/06 Decision makes up a totally new exception to "new ground of rejection:" "merely elaborated on the rejection ... in response to Applicant's arguments."¹⁸ (Decision of 2/10/06, at 5 lines 32-33). The 11/8/05 Decision cites no authority for this new excuse. This excuse has been rejected, almost verbatim. *Kumar*, 418 F.3d at 1367, 76 USPQ2d at 1051 ("simply an additional explanation" in response to applicant's showing that the earlier explanation was inadequate, is still a "new ground"). The T.C. Director's Decision cannot be affirmed.

Both Decisions repeatedly assert that the examiner did something – however, the T.C. Director's assertions never address the particular omissions petitioned. The Decisions only show that the examiner made "general objections," not the required "specific findings."¹⁹ The Decisions fail for lack of relevant factual findings,²⁰ and for failing to "fully and fairly treat" the precise issues presented. 5 U.S.C. § 555(b) (agency "must conclude a matter presented to it" rather than redefining the matter); *In re Kumar*, 418 F.3d at 1367, 76 USPQ2d at 1052.

The 2/10/06 Decision states the issue considered as "whether the examiner's rejection is clear as to claim scope or what is the proper scope of the claim." No issue of "claim scope" was

¹⁷ The T.C. Director's Decision cites *In re Osweiler*, 346 F.2d 617, 145 USPQ 691 (CCPA 1965). But *Osweiler* concerns "new arguments" presented in an opening brief to a court of appeals, and has nothing to do with "new ground of rejection" within the Office. There is no "notice" function or "fairness" concern in the appeal context, and an opponent has a symmetric right to oppose and shift position. To the degree *Osweiler* applies at all, it supports an applicant's right to fully respond to the examiner's new grounds. In any event, older CCPA cases are no longer good law – because the CCPA always sat *en banc*, the CCPA's later *Wiechert* decision controls.

¹⁸ The 11/8/05 Decision makes up a totally new exception to "new ground of rejection" – excusing any "further clarifying one's position and responding directly to limitations identified as 'not taught by the cited art'." The Decision of 11/9/05 relies on irrelevant and untrue facts: the phrase "not taught by the cited art" is not used in Petitioner's papers. The issues petitioned do not relate to issues "not taught by the cited art," they relate to issues not discussed in the Office Actions.

¹⁹ *In re Epstein*, 32 F.3d 1559, 1570-71, 31 USPQ2d 1817, 1825 (Fed. Cir. 1995) (Plager, J., concurring) ("One function of the PTO's *prima facie* case practice is to force the PTO examiners to set forth specific [rejections], which can be met by the applicant, and not just to make a general rejection" emphasis added)

²⁰ *Lane v. Union Carbide Corp.*, 105 F.3d 166, 173 (4th Cir. 1997) (agency opinions must include a statement of "findings and conclusions, and the reasons or basis therefor, on all the material issues of fact, law, or discretion presented on the record.")

presented in the Petition. The Petition was directed to “different portion.” The T.C. Director’s Decision erred in reframing the issue, and in failing to decide the issue presented.

E. Conclusion: Claim 87 Was Not Timely Examined, and Final Rejection is Premature

The October 2004 Action raises a new ground of rejection not necessitated by any amendment. Under MPEP § 706.07(a), finality of the Action of October 2004 is premature. The T.C. Director’s Decision is silent on the issue presented, and there is nothing to affirm.

VI. The Examiner Himself Conceded that the 10/2004 Action is Neither “Clear” or “Complete” as to Claim 104: Final Rejection is Premature

The Examiner expressly conceded that the October 2004 Action is too “confusing” and incomplete to support final rejection.

Question 3. Is final rejection premature under 37 C.F.R. §§ 1.104(c)(2) and 1.113, in view of the examiner’s express concession that the October 2004 Action was “confusing” rather than “clear” with respect to claim 104?

Yes. The Advisory Action of 2/14/05 expressly admits that the Office Action of October 2004 was “confusing” because the examiner had erroneously copied an irrelevant paragraph, and was neither “clear” nor “complete” with respect to claim 104.

Question 4. Did the T.C. Director’s Decision err by confabulating a new exception to 37 C.F.R. §§ 1.104(c)(2) and 1.113, relying on no authority?

Yes. The T.C. Director asserts that a “typographical error” – even **an entire errant paragraph** – is somehow exempt from the “clarity” and “completeness” requirements of Rules 104 and 113. The T.C. Director’s Decision cites no authority – he apparently created a new exception out of thin air.

A. Facts Relevant to Claim 104

Undisputed Fact 14. Claim 104 is the only claim that recites “first and second data storage conventions.” Thus, unless this limitation is specifically addressed in the context of claim 104, it cannot be said to be discussed elsewhere.

Undisputed Fact 15. The February 2004 Action discusses claim 104 under § 102 over a single reference:

10. Claims 1-2, 4-14, 17, 37-~~47~~⁵¹, 51-53, 61-66, 68, 70-72, 104-109, 113-115, and 128-132 are rejected under 35 USC § 102(e) as being clearly anticipated by Goetz et al., U.S. Patent 5,854,913.
42. As to claim 104-109, 113-115, 128-132, they do not teach or define above the invention claimed in the previously respective rejected claims and are therefore rejected under Goetz et al. for the same reasons set fourth in the previous claim rejections, supra.

Undisputed Fact 16. The Goetz '913 reference is "complex" and/or "shows or describes inventions other than that claimed by the applicant."

Undisputed Fact 17. Petitioner's July 2004 paper notes the 2/11/04 Action makes no "designation" of any "particular part relied on" for the "first and second data storage conventions" of claim 104 to any reference.²¹

Undisputed Fact 18. The October 2004 Action reads as follows:

14.7. That: "Claim 104 recites two memory regions that "[follow] first and second data storage conventions." As discussed above in connection with claim 22, at page 34, there is no indication that Goetz '913 uses two different "data storage conventions."

This is not found persuasive because applicant is arguing against the references separately. One cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. *See In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

²¹ The July 2004 paper also notes that the "first and second data storage conventions" language distinguishes the portions of the Goetz reference designated by the Office Action. However, that is an issue on the merits, not within the scope of this petition.

Undisputed Fact 19. In the Advisory of 2/14/05, the examiner writes:

3. "Claim 104 has Not Been Examined"

Applicant is in error in this statement. Claim 104 was examined, and was rejected, in paper number 38, mailed February 11, 2004, at paragraph 42. Claim 104 is rejected with Goetz et al. in the exact same manner as claim 4 (as claim 4 existed on February 11, 2004, due to the fact that claim 104 is simply a restatement of claim 4 (as claim 4 existed on February 11, 2004). A fact that applicant should have been immediately aware of because applicant himself wrote the claims. Accordingly, claim 104 was rejected.

Applicant is additionally confused because paragraph 14.7 of the Office Action of October 2004 contains a copy of the response from paragraph 14.1 regarding claim 22. This was a typographical mistake in the office action of October 2004. The correct response was:

Goetz et al. taught using "the instructions ... following first and second data storage conventions" at col. 15 lines 45-49.

Undisputed Fact 20. Col. 15, lines 45-49 was not "designated" for any issue in the Action of 2/11/04.

B. Applicable Rules

37 C.F.R. § 1.113(b) sets out the minimum procedural requirements for a final rejection.

Rule 113(b) reads as follows (emphasis added):

37 C.F.R. 1.113. Final rejection or action.

(b) In making such final rejection, the examiner shall repeat or state all grounds of rejection then considered applicable to the claims in the application, clearly stating the reasons in support thereof.

37 C.F.R. § 1.104(c)(2) sets out minimum procedural requirements for any rejection on prior art, which of course must be met if any rejection is to exist at all, let alone mature into final rejection:

37 C.F.R. 1.104. Nature of examination.

(c)(2) In rejecting claims for want of novelty or for obviousness, the examiner must cite the best references at his or her command. When a reference is complex or shows or describes inventions other than that claimed by the applicant, the particular part relied on must be designated as nearly as practicable. The pertinence of each reference, if not apparent, must be clearly explained and each rejected claim specified.

C. Final Rejection of Claim 104 is Premature

Final rejection is premature for two separate reasons.

First, the new designation of Goetz '913 col. 15, lines 45-49 **in a post-final advisory action** is a “new ground of rejection.” *Wiechert*, 370 F.2d at 933, 152 USPQ at 251-52.

Second, the examiner expressly admits that his October 2004 office action is “confusing” because it was not complete (Advisory of 2/14/05, ¶ 3, third paragraph). On the facts as conceded, the October 2004 Action fails to meet either §§ 1.104(c)(2) and 1.113, and thus cannot be final.

D. The T.C. Director Erred by Fabricating a New, Unfounded Exceptions to the Definition of “New Ground”

The T.C. Director’s Decision makes no attempt to apply the law – even the law as confabulated – to the facts. The Decision simply notes the existence of the “general rejections” in the paragraphs set forth above, with no attempt to explain how the paragraphs are consistent with either “no new ground of rejection” of MPEP § 706.07(a), or the “clear” and “complete” requirements of 37 C.F.R. §§ 1.104(c)(2) and 1.113.

The T.C. Director’s Decision attempts to create a new exception to the definition of “new ground,” a previously unheard-of “typographical error” exception. The T.C. Director’s Decision identifies no authority that authorizes this new exception. The Decision makes no attempt to square this new exception with the “clear” and “complete” notice requirements of 37 C.F.R. §§ 1.104(c)(2) and 1.113, or the “fairness” policy underlying final rejection, MPEP § 706.07. The Decision makes no effort to provide a balanced opportunity to respond to the admitted error.

The T.C. Director’s Decision simply ignores the key evidence – the examiner’s own admission that his paper was “confusing,” not “clear.” Adjudicators may not ignore evidence.

The Decision expressly applies a double standard – an examiner may untimely cure a breach of Office procedure, but an applicant is allowed no corresponding opportunity to respond (Decision of 2/10/06 at page 6, lines 24-25).

VII. The Status of Claim 22 is Too Unclear to Permit Appeal or Closure of Prosecution

The Examiner himself has already conceded that the October 2004 Action is too incomplete to meet the requirements for final rejection of 37 C.F.R. § 1.113(b) and MPEP

§ 706.07. The Decision of 11/8/05 is absolutely silent on the issue presented. Instead, the Decision discusses MPEP § 706.07(a), relating to “new ground of rejection” (*see* Decision of 11/8/05, statement of issues decided, page 3, second item), an issue not raised. No decision was rendered on the precise issues presented, and none can be affirmed.

Question 5. Was the Office Action of October 25, 2004, prematurely made “final,” when the examiner shifted from a single reference for a particular paragraph of claim 22 in the February 2004 Action to a combination of three references for the same claim paragraph in October 2004?

Yes. The February 2004 Action ¶ 52.4 relies on Goetz '913 alone for the “indicator elements” of claim 22. The October 2004 Action, ¶ 4, states that it relies on a combination of three references for this same claim paragraph.

Question 6. Was the Office Action of October 25, 2004, prematurely made “final,” when the examiner breached 37 C.F.R. § 1.104(c)(2) by failing to “designate the particular parts relied on as nearly as possible” of the two references added in October 2004?

Yes. The October 2004 Action, ¶ 4, states that two references are being added to the consideration of the “indicator elements” of claim 22, but designates no parts relied on.

Question 7. Was the Office Action of October 25, 2004, prematurely made “final,” when the examiner himself admits that the statement of grounds on claim 22 is not “clear” as required by 37 C.F.R. § 1.113?

Yes, as explained above in the answers to Question 5 and Question 6.

Question 8. Was the Office Action of October 25, 2004, prematurely made “final,” when the examiner’s failure to answer all material traversed does not permit the identification of “clear issue for appeal” as required by MPEP § 706.07?

Yes, as explained above in the answers to Question 5 and Question 6.

Question 9. Did the T.C. Director’s Decision err by failing to decide the issues presented?

Yes. The issues were precisely framed around 37 C.F.R. §§ 1.104(c)(2) and 1.113 and MPEP § 706.07. The T.C. Director’s Decision never mentions these provisions, let alone make any attempt to respond to show that they were complied with. The T.C. Director’s Decision identifies no reason to disagree with the examiner’s concession that the October 2004 Action is “confusing.”

Question 10. Did the T.C. Director's Decision err by failing to honor the relative priority of the MPEP and the Code of Federal Regulations?

Yes. The T.C. Director's Decision implies that the reason he declines to enforce 37 C.F.R. §§ 1.104(c)(2) and 1.113 is based on a half sentence of the MPEP. The MPEP may not be elevated over the Code of Federal Regulations.

A. Facts Relating to Claim 22

Undisputed Fact 21. Claim 22 recites as follows:

22. A method, comprising the steps of:

executing instructions fetched from first and second regions of a memory of a computer, the instructions of the first and second regions being coded for execution by computers following first and second data storage conventions, the memory regions having associated first and second indicator elements, **the indicator elements each having a value indicating the data storage convention under which instructions from the associated region are to be executed;**

recognizing when program execution has flowed or transferred from a region whose indicator element indicates the first data storage convention to a region whose indicator element indicates the second data storage convention, and in response to the recognition, altering the data storage content of the computer to create a program context under the second data storage convention that is logically equivalent to a pre-alteration program context under the first data storage convention.

Undisputed Fact 22. Claim 22 has not been amended during pendency of this RCE.

Undisputed Fact 23. Claim 22 is discussed at paragraph 52 of the Office Action of the February 2004 and paragraph 14 of the October 2004 Office Action.

Undisputed Fact 24. Paragraph 52.4 of the February 2004 Action compares the "the indicator elements each having a value indicating the data storage convention under which instructions from the associated region are to be executed" to only Goetz '913, col. 17, lines 24-33 and to no other reference (§§ 52.3 and 52.5 also only mention the Goetz '913 reference, making clear that Examiner Ellis is relying exclusively on one reference for this portion of the claim):

52. As to claim 22, Goetz et al. in view of Brender et al. and Murphy et al. taught:

52.4. the indicator elements each having a value indicating the data storage convention under which instructions from the associated region are to be executed (Goetz et al. col. 17 lines 24-33);

Undisputed Fact 25. The October 2004 Action indicates that the Examiner has shifted from the single Goetz '913 reference to another (Action of October 2004, page 3 ¶ 14.1). However, the October 2004 Office Action does not even specify which other references might be involved, let alone designate "the particular part relied on":

14.1. That: "Paragraph 52.4 compares the "the indicator elements each having a value indicating the data storage convention under which instructions from the associated region are to be executed" to Goetz, col. 17, lines 24-33. However, here, Goetz only teaches a P bit that indicates an instruction set. There is no indication that Goetz ever uses two different "data storage conventions" as recited in claim 22, let alone indicates them with any "indicator."

This is not found persuasive because applicant is arguing against the references separately. One cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

Undisputed Fact 26. Paragraph 4 of the 2/14/2005 Advisory Action merely states that unspecified portions of one or both of two other references might be used to supplement the Goetz '913 patent, in some unspecified way, to meet the specific claim limitation at issue, but without designating the "particular part relied on":

4. "No "Clear Issue" Is Developed for Claim 22"

Applicant is additionally in error in this statement. If applicant were to have referred to the rejection of claim 22 at paragraph 52 of the February 2004 office action, he would have recognized that the rejection of claim 22 was based upon a combination of references, specifically Goetz et al. in view of Brender et al. and Murphy et al. He would also have recognized from the rejection that although Goetz et al. contained the claimed indicators (52.4) that it was Brender et al. and Murphy et al. which provided the teaching of "data storage convention" portion of this particular claim. Therefore, by arguing that Goetz et al. alone did not teach the complete claimed aspect, applicant was indeed arguing the references individually, and as such, the response given was exactly that which was necessary to rebut applicant's argument.

Undisputed Fact 27. The references relied on are “complex” and/or “show or describe inventions other than that claimed by the applicant.”

Undisputed Fact 28. The examiner has been asked on several occasions to explain how the Brender and Murphy references might be thought to supplement the Goetz '913 reference with respect to this claim limitation, or whether the examiner intends to stand on Goetz '913 alone with respect to this claim limitation. (Request for Withdrawal of Finality of 1/25/05 at 3-4; Response to Office Action of 1/25/05 at 35-36; Response to Office Action at 50-52).

Undisputed Fact 29. There has been no answer to these questions. There has been no further clarification of what the Examiner's position is today.

Undisputed Fact 30. Petitioner's paper of 1/25/2005 set forth substantive arguments showing that the “indicator elements” of claim 22 distinguish Goetz '913.²²

Undisputed Fact 31. There has been no answer to this showing. There has been no further clarification of what the Examiner's position is today.

Undisputed Fact 32. Neither the Examiner nor the T.C. Director's Decision have been able to identify any statement of the examiner that clarifies what the examiner's position today, either with respect to Goetz '913 alone, or the combination of the three references. The record is currently unclear as to whether a disagreement even exists, let alone over what references, or what the disagreement is.

B. Applicable Law

37 C.F.R. §§ 1.104(c)(2) and 1.113 are set forth above. MPEP § 706.07 elaborates on § 1.113 as follows, emphasis added:

706.07 Final Rejection

Before final rejection is in order a clear issue should be developed between the examiner and applicant. ...

The examiner should never lose sight of the fact that in every case the applicant is entitled to a full and fair hearing, and that a clear issue between applicant and examiner should be developed, if possible, before appeal.

....

²² The substance or correctness of the arguments is immaterial to this petition; the relevance of the arguments is only that they were made.

In making the final rejection, all outstanding grounds of rejection ... must also be clearly developed to such an extent that applicant may readily judge the advisability of an appeal unless a single previous Office action contains a complete statement supporting the rejection.

However, where a single previous Office action contains a complete statement of a ground of rejection, the final rejection may refer to such a statement and also should include a rebuttal of any arguments raised in the applicant's reply.

Undisputed Fact 33. Neither the examiner nor the T.C. Director's Decision have alleged that there is any difficulty or failure of "if possible" to develop "a clear issue between applicant and examiner." The only showing in the record is applicant's showing that the examiner failed to "answer all material traversed."

C. 37 C.F.R. §§ 1.104(c)(2) and MPEP § 707.07(f) Have Been Breached, and Therefore Claim 22 is Not Rejected at All; Because There is No "Clear Statement of Reasons," Final Rejection is Premature

Both the examiner and the T.C. Director have been directly challenged to answer these questions: Does the examiner rely on a single reference for the "indicator elements," or a combination? If a combination, what references, and what "particular parts relied on" are designated? If no answer to this question can be "clearly" found in the examiner's papers no later than October 2004, then the October 2004 fails 37 C.F.R. § 1.113(b) ("In making such final rejection, the examiner shall ... clearly [state] the reasons in support thereof."), MPEP § 706.07 ("any such grounds relied on in the final rejection ... must also be clearly developed to such an extent that applicant may readily judge the advisability of an appeal"). Prosecution may not be closed.

Until the Examiner complies with "applicable departmental regulations," including 37 C.F.R. § 1.104, the Office Actions are "illegal and of no effect." *Accardi v. Shaughnessey*, 359 U.S. 535, 545 (1959); *Schroeder v. West*, 212 F.3d 1265, 1269-70 (Fed. Cir. 2000). Claim 22 is not rejected. A non-rejection cannot mature into a final rejection.²³

²³ This failure to comply with applicable regulations also operates to prevent finality under MPEP § 706.07(a). For example, § 706.07(a) reads "Under present practice, second ... actions shall be final, except ..." If examination has not met the requirements of "present practice," then the remainder of the sentence simply does not apply.

D. The T.C. Director's Decision Erred by Declining to Decide the Issue Presented

Both the 11/8/05 Decision and the 2/10/06 Decision fail to adjudicate the issue presented. Instead, they decide totally different issues.²⁴

The Petitions invoke 37 C.F.R. §§ 1.113(b) and 1.104(c)(2), and MPEP § 706.07 (not § 706.07(a)). The Decision never mentions any of these three, let alone attempt to show that the breaches complained of do not exist. Instead, the T.C. Director's Decisions reply that the examiner met one half of one sentence of MPEP § 706.07(a) – as if complying with one half of one law excuses a breach of all others. You can't excuse a parking ticket by showing that you weren't speeding, and the T.C. Director's Decisions identify no principle of law that permits a federal agency to pick and choose which law it will enforce and which it will ignore.²⁵

None of the rules petitioned with respect to claim 22 mention “new ground of rejection.” Yet, in setting out the issues purportedly decided, the 11/8/05 Decision recasts the issue onto another legal footing (Decision 11/8/05 at 3):

Does the Final Office action of October 25, 2004 timely comply with 37 CFR §1.113 for final rejection of unamended claim 22, i.e. no new grounds of rejection.

It is impermissible for an agency to redefine the issues presented to it, or to refuse to adjudicate the matter presented. 5 U.S.C. § 555(b); *Kumar*, 418 F.3d at 1367, 76 USPQ2d at 1052.

The Decision of 2/10/06 states that it largely stands on the 11/8/05 paper, and points to the paragraphs from the Office Actions. However, the T.C. Director's Decision is unable to even identify where the examiner's current position on the “indicator elements” is stated, let alone what it is.

The T.C. Director's Decision makes no attempt to show that “present practice” has been complied with, beyond bald assertion. His citation to half of a sentence in MPEP § 706.07(a) is simply irrelevant, if he cannot show how the prerequisite in the first half of the sentence was met.

²⁴ That is illegal. 5 U.S.C. § 555(B) requires an agency to decide “the issue presented to it,” not some other issue. Merely citing one law that the examiner did not breach does not absolve a breach of a different law.

²⁵ *Federal Communications Comm'n v. NextWave Personal Communications Inc.*, 537 U.S. 293, 300 (2003) (agency is compelled to follow “any law, and not merely those laws that the agency itself is charged with administering.”)

Because the Decision fails to require the examiner to examine as required by 37 C.F.R. §§ 1.104 and 1.113, it vitiates rules of the PTO, and is unlawful. It should be reversed.

VIII. The Rule 116(b)(3) Issue Has Never Been Decided

In the papers of April 14 and 25, 2005, Petitioner provided “good and sufficient reasons why the amendment is necessary and was not earlier presented” under 37 C.F.R. § 1.116(b)(3) – in summary, the reasons are that the examiner disclosed his positions untimely. That request was renewed in the Petition of 1/9/06 (see pages 16-17).

Neither the examiner nor the T.C. Director have ever considered the issue presented. The T.C. Director’s Decisions of 9/9/06, 11/8/05, and 2/10/06 **boldly misquote** the papers, by quoting only half a sentence, and removing a paragraph break between two sentences, to completely reframe the procedural posture and the issue. Compare Response of 4/14/05 at 34 to Decision of 2/10/06 at 7-8. Strikingly, the Decision then states that the Rule 116(b) issue will not even be considered on its facts, because the MPEP says that such requests need not be granted as of right. The T.C. Director misstates the relationship between the MPEP and 37 C.F.R.: a statement in the MPEP that an issue need not be granted as “of right” does not entirely excuse an official from considering an issue arising under the Code of Federal Regulations.

The arguments for entry of the 4/25/05 paper under Rule 116 must at least be decided.

IX. Conclusion

In a Decision on a Petition for Extension of Time of 2/10/06, the Office stated that all issues are moot – that is, the T.C. Director necessarily held that the Office has voluntarily ceased all challenged conduct, and has borne a heavy burden of making *absolutely clear* to the examiner that the allegedly wrongful behavior will not recur. *Adarand Constructors Inc. v. Slater*, 528 U.S. 167, 221-22 (2000). The consequence of the Decisions on the Extension issue is that the 4/25/05 paper is entered as a regular Rule 111 Response. A paper pointing out the consequences of the T.C. Director’s Decision is currently pending before the examiner. If the T.C. Director and examiner now reverse course to avoid the consequences of the T.C. Director’s “mootness” decision on the extension of time issue, then this Petition will need to be considered.

Finality of the Action of October 2004 should be withdrawn. Prosecution should be reopened: the Amendment filed April 25, 2005 should be entered as of right, and examination should commence. All time deadlines running from 10/25/2004 were tolled by the Response filed 1/25/2005. The Amendment filed 4/25/2005 is then entered by operation of law as a supplementary amendment, and the arguments provided in the "Response to Office Action, or in the alternative, Appeal Brief," may be considered as a Rule 111 Response, in preparation of the next Office Action. All fees for extension of time were paid "in excess of that required," and may be refunded pursuant to 37 C.F.R. § 1.26(a).

In the alternative, the Amendment of April 25, 2005 should be entered pursuant to 37 C.F.R. § 1.116(b)(3).

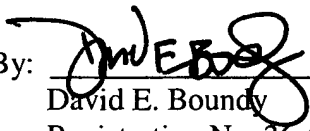
In either case, and in addition, Examiner Ellis should be instructed that he must examine applications as instructed by the Undersecretary, setting forth factual and legal findings on all issues instructed by 37 C.F.R. § 1.104, and MPEP Chapters 700 and 2100. He is not to exempt himself from the Undersecretary's instructions (*E.g.*, Action of 2/10/03 ¶ 4 – Examiner states that he is exempt from MPEP § 2143.02 because non-chemical inventions "always" have "reasonable expectation of success").

It is believed that this paper occasions no fee. Kindly charge any fee due to Deposit Account No. 23-2405, Order No. 114596-03-4000.

Respectfully submitted,

WILLKIE FARR & GALLAGHER LLP

Dated: April 10, 2006

By: 
David E. Boundy
Registration No. 36,461

WILLKIE FARR & GALLAGHER LLP
787 Seventh Ave.
New York, New York 10019
(212) 728-8000
(212) 728-8111 Fax